

AMANDA E. NELSON 027524
20 EAST THOMAS ROAD
SUITE 2400
PHOENIX, AZ 85012

UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA - PHOENIX DIVISION

In re
FRED F. ESCOBEDO
JULIA P. ESCOBEDO

SSN xxx-xx-0040
6510 W. ORANGE DR.
Glendale, AZ 85301
6510 W. ORANGE DR.
Glendale, AZ 85301

SSN xxx-xx-0136

Debtor(s).

Case No.

CHAPTER 13 PLAN AND APPLICATION FOR
PAYMENT OF ADMINISTRATIVE EXPENSES

Original
 Amended
 Modified

Plan payments include post-petition mortgage payments

This Plan may affect creditor rights. If you object to the treatment of your claim as proposed in this Plan, you must file a written objection by the deadline set forth in a Notice of Date to File Objections to Plan served on parties in interest. If this is a joint case, then "Debtor" means both Debtors. This plan does not allow claims or affect the timeliness of any claim. To receive payment on your claim, you must file a proof of claim with the Bankruptcy Court, even if this Plan provides for your debt. The applicable deadlines to file a proof of claim were specified in the Notice of Commencement of Case. Except as provided in § 1323(c), a creditor who disagrees with the proposed treatment of its debt in this Plan must timely file an objection to the Plan.

If this is an Amended or Modified Plan, the reasons for filing this Amended or Modified Plan are:

(A) Plan Payments and Property to be Submitted to the Plan.

(1) Plan payments start on APRIL 25, 2011. The Debtor shall pay the Trustee as follows:

\$ 450.00 each month for month 1 through month 12.
\$ 590.00 each month for month 13 through month 60.

The proposed plan duration is 60 months. The applicable commitment period is 60 months. Section 1325(b)(4).

(2) In addition to the plan payments, Debtor will submit the following property to the Trustee: -NONE-

(B) Trustee's Percentage Fee. Pursuant to 28 U.S.C. § 586(e), the Trustee may collect the percentage fee from all payments and property received, not to exceed 10%.

(C) **Treatment of Administrative Expenses, Post-Petition Mortgage Payments and Claims.** Except adequate protection payments under (C)(1), post-petition mortgage payments under (C)(4), or as otherwise ordered by the Court, the Trustee will make disbursements to creditors after the Court confirms this Plan. Unless otherwise provided in Section (J), disbursements by the Trustee shall be pro rata by class (except adequate protection payments) and made in the following order:

(1) **Adequate protection payments.** Section 1326(a)(1)(C) requires adequate protection payments to be made to creditors secured by personal property. Pursuant to Local Bankruptcy Rule 2084-6, the Trustee is authorized to make preconfirmation adequate protection payments to the certain secured creditors without a Court order, provided the claim is properly listed on Schedule D, the creditor files a secured proof of claim that includes documentation evidencing a perfected security agreement, and the debtor or creditor sends a letter to the Trustee requesting payment of preconfirmation adequate protection payments. The Trustee will apply adequate protection payments to the creditor's secured claim. After confirmation, unless the Court orders otherwise, adequate protection payments will continue in the same amount until claims to be paid before these claimants are paid in full, unless the confirmed plan or a court order specifies a different amount. If a secured creditor disagrees with the amount of the proposed adequate protection payments or the plan fails to provide for such payments, the creditor may file an objection to confirmation of this plan, file a motion pursuant to §§ 362, 363, or do both.

Creditor	Property Description	Monthly Amount
CHASE AUTO FINANCE	2006 FORD F-150 MILEAGE: 83,000	131.00
FORD MOTOR CREDIT COMPANY	2008 FORD F150 MILEAGE: 55,000	118.00

See Section (J), Varying Provisions.

(2) **Administrative expenses.** Section 507(a)(2).

(a) Attorney fees. Debtor's attorney received \$ 4,000.00 before filing. The balance of \$ 0.00 or an amount approved by the Court upon application shall be paid by the Trustee. See Section (F) for any fee application.

(b) Other Administrative Expenses. [Describe]

See Section (J), Varying Provisions.

(3) **Leases and Unexpired Executory Contracts.** Pursuant to § 1322(b), the Debtor assumes or rejects the following lease or unexpired executory contract. For a lease or executory contract with an arrearage to cure, the arrearage will be cured in the plan payments with regular monthly payments to be paid direct by the Debtor. The arrearage amount to be adjusted to the amount in the creditor's allowed proof of claim.

(a) Assumed:

Creditor & Property Description	Estimated Arrearage Amount	Arrearage Through Date
VERIZON WIRELESS CELLULAR TV	0.00	N/A

(b) Rejected:

Creditor	Property Description
-NONE-	

See Section (J), Varying Provisions.

(4) *Claims Secured Solely by Security Interest in Real Property.* A creditor identified in this paragraph may mail the Debtor all correspondence, notices, statements, payment coupons, escrow notices, and default notices concerning any change to the monthly payment or interest rate without such being a violation of the automatic stay. Unless stated below, Debtor is to pay post-petition payments direct to the creditor and prepetition arrearages shall be cured through the Trustee. No interest will be paid on the prepetition arrearage or debt unless otherwise stated. The arrearage amount is to be adjusted to the amount in the creditor's allowed proof of claim. Except as provided in Local Bankruptcy Rule 2084-23, if a creditor gets unconditional stay relief the actual cure amount to be paid shall be adjusted by the Trustee pursuant to the creditor's *allowed* proof of claim. If the Debtor is surrendering an interest in real property, such provision is in paragraph (E). The Debtor is retaining real property and provides for each such debt as follows:

<u>Creditor/Servicing Agent & Property Description</u>	<u>Collateral Value & Valuation Method</u>	<u>Post-Petition Mortgage Payments</u>	<u>Estimated Arrearage</u>	<u>Arrearage Through Date</u>
LITTON LOAN SERVICING SINGLE FAMILY RESIDENCE: Location: 6510 W. ORANGE DR., GLENDALE, AZ 85301	50,000.00 LICENSED REAL ESTATE APPRAISAL	1,791.00 <input checked="" type="checkbox"/> Debtor will pay direct to creditor; or <input type="checkbox"/> Included in Plan payment. Trustee will pay creditor.	0.00	3/25/2011

See Section (J), Varying Provisions.

(5) *Claims Secured by Personal Property or a Combination of Real and Personal Property.* Pursuant to § 1325(a), secured creditors listed below shall be paid the amount shown as the Amount to be Paid On Secured Claim, with such amount included in the Plan payments. However, if the creditor's proof of claim amount is less than the Amount to be Paid on Secured Claim, then only the proof of claim amount will be paid. Any adequate protection payments are as provided in Section (C)(1) above. If a creditor fails to file a secured claim or files a wholly unsecured claim, the debtor may delete the proposed payment of a secured claim in the order confirming plan.

<u>Creditor & Property Description</u>	<u>Debt Amount</u>	<u>Value of Collateral and Valuation Method</u>	<u>Amount to be Paid On Secured Claim</u>	<u>Interest Rate</u>
CHASE AUTO FINANCE 2006 FORD F-150 MILEAGE: 83,000	2,429.09	11,000.00 www.kellybluebook.com	2,429.09	5.25
FORD MOTOR CREDIT COMPANY 2008 FORD F150 MILEAGE: 55,000	10,610.00	10,650.00 www.kellybluebook.com	10,610.00	5.25

See Section (J), Varying Provisions.

(6) *Priority, Unsecured Claims.* All allowed claims entitled to priority treatment under § 507 shall be paid in full pro rata.

(a) Unsecured Domestic Support Obligations. The Debtor shall remain current on such obligations that come due after filing the petition. Unpaid obligations before the petition date to be cured in the plan payments.

<u>Creditor</u>	<u>Estimated Arrearage Amount</u>	<u>Arrearage Through Date</u>
-NONE-		

<u>Creditor</u>	<u>Type of Priority Debt</u>	<u>Estimated Amount</u>
ARIZONA DEPARTMENT OF REVENUE	Taxes and certain other debts	0.00
INTERNAL REVENUE SERVICE	Taxes and certain other debts	0.00

See Section (J), Varying Provisions.

(7) *Codebtor Claims.* The following codebtor claim is to be paid per the allowed claim, pro rata before other unsecured, nonpriority claims.

<u>Creditor</u>	<u>Codebtor Name</u>	<u>Estimated Debt Amount</u>
-NONE-		

See Section (J), Varying Provisions.

(8) **Unsecured Nonpriority Claims.** Allowed unsecured, nonpriority claims shall be paid pro rata the balance of payments under the Plan.

See Section (J), Varying Provisions.

(D) **Lien Retention.** Secured creditors shall retain their liens until payment of the underlying debt determined under nonbankruptcy law or upon discharge, whichever occurs first. Federal tax liens shall continue to attach to property excluded from the bankruptcy estate under 11 U.S.C. § 541(c)(2) until the Internal Revenue Service is required to release the liens in accordance with non bankruptcy law.

See Section (J), Varying Provisions.

(E) **Surrendered Property.** Debtor surrenders the following property to the secured creditor. Upon confirmation of this Plan or except as otherwise ordered by the Court, bankruptcy stays are lifted as to the collateral to be surrendered. Any secured claim filed by such creditor shall receive no distribution until the creditor files an allowed unsecured claim or an amended proof of claim that reflects any deficiency balance remaining on the claim. *Should the creditor fail to file an amended unsecured claim consistent with this provision, the Trustee need not make any distributions to that creditor.*

Creditor
-NONE-

Property Being Surrendered

(F) **Attorney Application for Payment of Attorney Fees.** Counsel for the Debtor has received a prepetition retainer of \$ 4,000.00, to be applied against fees and costs incurred. Fees and costs exceeding the retainer shall be paid from funds held by the Chapter 13 Trustee as an administrative expense. Counsel will be paid as selected in paragraph (1) or (2) below:

(1) **Flat Fee.** Counsel for the Debtor has agreed to a total sum of \$ 4,000.00 to represent the Debtor. Counsel has agreed to perform the following services through confirmation of the plan:

- All of the below, except Additional Services.
- Review of financial documents and information.
- Consultation, planning, and advice, including office visits and telephone communications.
- Preparation of Petition, Schedules, Statement of Financial Affairs, Master Mailing List.
- Preparation and filing of Chapter 13 Plan, Plan Analysis, and any necessary amendments.
- Attendance at the § 341 meeting of creditors.
- Resolution of creditor objections and Trustee recommendations, and attendance at hearings.
- Reviewing and analyzing creditor claims for potential objections, and attendance at hearings.
- Responding to motions to dismiss, and attendance at hearings.
- Responding to motions for relief from the automatic stay, and attendance at hearings.
- Drafting and mailing of any necessary correspondence.
- Preparation of proposed order confirming the plan.
- Representation in any adversary proceedings.
- Representation regarding the prefilings credit briefing and post-filing education course.

Additional Services. Counsel for the Debtor has agreed to charge a flat fee for the following additional services provided to the Debtor after confirmation of the plan:

- Preparation and filing of Modified Plan \$ 750.00 .
- Preparation and filing of motion for moratorium \$ 750.00 .
- Responding to motion to dismiss, and attendance at hearings \$ 750.00 .
- Defending motion for relief from the automatic stay or adversary proceeding \$.
- Preparation and filing of any motion to sell property \$ 750.00 .
- Other

Responding to complex motions for relief from the automatic stay and attendance at contested or evidentiary hearings thereon... Fee \$750.00.

Preparing and filing Motions to Incur Debt and attendance at hearings thereon... Fee \$750.00.

Prosecuting avoidance of voluntary lien secured by real property and attendance at hearings thereon... Fee \$1,000.00. .

All other additional services will be billed at the rate of \$ 265.00 per hour for attorney time and \$ 100.00 per hour for paralegal time. Counsel will file and notice a separate fee application detailing the additional fees and costs requested. Counsel will include *all* time expended in the case in the separate fee application.

See Section (J), Varying Provisions.

(2) **Hourly Fees.** For hourly fees to be paid as an administrative expense, counsel must file and notice a separate fee application detailing the additional fees and costs requested. The application must include all time expended in the case.

Counsel has agreed to represent the Debtor for all services related to the Chapter 13 bankruptcy to be billed at the rate of \$ per hour for attorney time and \$ per hour for paralegal time.

See Section (J), Varying Provisions.

(G) **Vesting.** Property of the estate shall vest in the Debtor upon confirmation of the Plan. The following property shall not vest in the Debtor upon confirmation: *[Describe or state none]*

-NONE-

See Section (J), Varying Provisions.

(H) **Tax Returns.** While the case is pending, the Debtor shall provide to the Trustee a copy of any post-petition tax return within thirty days after filing the return with the tax agency. The Debtor has filed all tax returns for all taxable periods during the four-year period ending on the petition date, except: *[not applicable or describe unfiled returns]*.

N/A

(I) **Funding Shortfall.** Debtor will cure any funding shortfall before the Plan is deemed completed.

(J) Varying Provisions. The Debtor submits the following provisions that vary from the Local Plan Form, Sections (A) through (H):

(C) Payments disbursed by the Trustee shall be paid in the following order: (a) first to administrative claims, including adequate protection; (b) then to secured claims, paid pro-rata; (c) then to priority unsecured claims, paid pro-rata; (d) then to general unsecured claims, paid pro-rata.

(C) If a secured creditor does not file a timely objection to confirmation of the Plan then it is deemed to have accepted treatment of its claim under the plan, irrespective of the filing of a secured proof of claim. 11 U.S.C. §1325(a)(5)(A). In the event that a priority unsecured creditor fails to file a priority unsecured claim before confirmation or files a general unsecured claim, the Debtor may delete the proposed payment of the priority unsecured claim in the order confirming the Plan with no additional notice.

(C)(4) Maricopa County Treasurer: Notwithstanding the Plan provision that "[p]repetition arrearages shall be cured through the Trustee," no funds shall be paid to the Maricopa County Treasurer through Plan by the Trustee, and any and all pre-petition and post-petition accrued and accruing real property taxes, including any applicable interest, shall be paid direct by the Debtors to the creditor outside of this Plan.

(C)(4) CHASE HOME FINANCE: This creditor, or its successors in interest holds a voluntary lien, also called a Deed of Trust, against the Debtors' real property described below, and such lien is recorded in the Office of the MARICOPA County Recorder, in the State of Arizona, Deed of Trust. The value of the subject real property is \$50,000.00 and was valued in accordance with that certain real estate appraisal prepared by Lance Billingsley of Billingsley Appraisal Service. A true and correct copy of the foregoing valuation will be filed concurrently with the Plan and is incorporated herein by reference. The value of the subject real property is insufficient to secure all prior perfected liens against the subject real property and, as a direct result, no equity exists in the subject real property to secure this creditor's lien. Therefore, the Debtors shall file an adversary proceeding avoiding the lien of this creditor. As a result of the avoidance of the lien of this creditor, this creditor shall not be paid through the Plan as a secured creditor, or direct by the Debtors, rather any filed claim of this creditor for this debt shall be classified as a general unsecured claim and paid in accordance with Section (C)(8) of the Plan.

Assessor's Parcel Number: 144-63-008

Street Address: 6510 WEST ORANGE DRIVE GLENDALE, AZ. 85301-7223

Legal Description: LOT 6918, MARYVALE TERRACE 20 (MCR 0081-11) ACCORDING TO BOOK 81 OF MAPS, PAGE 11 RECORDS OF MARICOPA COUNTY, ARIZONA

(C)(5) Interest Rate: The interest rate to be paid on all secured claims listed below, unless otherwise stated, shall be the sum of the prime rate as stated below and the risk adjustment factor as stated below. The current prime rate of interest as of the date the initial Plan is filed in this case, as reported in the Wall Street Journal (in accordance with information reviewed at <http://www.bankrate.com>), is 3.25%. The risk adjustment factor under this Plan is 2.0%. The factors taken into account to determine the risk factor include the status of the debt at filing (see below), prior bankruptcy filings (see the Voluntary Petition filed in this case), Plan feasibility, the nature of the security and the liquidity of same, and equal treatment of similarly situated creditors.

(1) (2) CHASE HOME FINANCE: Debtor(s) intend to avoid lien under 522(f)(1) or 522(f)(2).

(K) Plan Summary. If there is a discrepancy between paragraphs (A) - (J) and paragraphs (K) - (M), then the provisions of paragraphs (A) - (J) and the confirmed plan control.

(1)	Trustee's compensation (10% of plan payments)	\$ 3,065.64
(2)	Ongoing post-petition mortgage payments	\$ 0.00
(3)	Administrative expenses and claims	\$ 0.00
(4)	Priority claims	\$ 0.00
(5)	Prepetition mortgage or lease arrears, or amount to cure defaults, including interest	\$ 0.00
(6)	Secured personal property claims, including interest	\$ 13,965.40
(7)	Amount to unsecured nonpriority claims	\$ 16,688.96
(8)	Total of plan payments	\$ 33,720.00

(L) Section 1325 Analysis.

(1) *Best Interest of Creditors Test:*

(a) Value of Debtor's interest in nonexempt property	\$ <u>-39,958.43</u>
(b) Plus: Value of property recoverable under avoiding powers	\$ <u>0.00</u>
(c) Less: Estimated Chapter 7 administrative expenses	\$ <u>3,186.16</u>
(d) Less: Amount to unsecured, priority creditors	\$ <u>0.00</u>
(e) Equals: Estimated amount payable to unsecured, nonpriority claims if Debtor filed Chapter 7	\$ <u>0.00</u>

Paragraph (2) to be completed by debtors whose current monthly income exceeds the state's median income.

(2) *Section 1325(b) Analysis:*

(a) Monthly disposable income under § 1325(b)(2), Form B22C, Statement of Current Monthly Income	\$ <u>505.57</u>
(b) Applicable commitment period	\$ <u>60</u>
(c) Section 1325(b)(2) monthly disposable income amount multiplied by 60	\$ <u>30,334.20</u>

(M) Estimated Amount to Unsecured Nonpriority Creditors Under Plan

Dated: March 28, 2011

/s/ FLE (0040)

FRED F. ESCOBEDO

Debtor

/s/ JPE (0136)

JULIA P. ESCOBEDO

Debtor

/s/ AMANDA E. NELSON

AMANDA E. NELSON 027524

Attorney for Debtor

DAVID WROBLEWSKI & ASSOCIATES, P.C.

20 EAST THOMAS ROAD

SUITE 2400

PHOENIX, AZ 85012

rev. 12/09

Property Description

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. PA020911

SUBJECT NEIGHBORHOOD SITE DESCRIPTION OF IMPROVEMENTS	Property Address	6510 West Orange Drive		City	Glendale		State	AZ	Zip Code	85301-7223
	Legal Description	Lot 6918, Maryvale Terrace 20 (MCR 0081-11)						County Maricopa		
	Assessor's Parcel No.	144-63-008		Tax Year 2010		R.E. Taxes \$ 930.64		Special Assessments \$ None		
	Borrower	Escobedo, Fred & Julia		Current Owner		Escobedo, Fred & Julia		Occupant: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant		
	Property rights appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold		Project Type		<input checked="" type="checkbox"/> PUD <input type="checkbox"/> Condominium (HUD/VA only)		HOA \$ None /Mo.		
	Neighborhood or Project Name	Maryvale Terrace				Map Reference Page 125/Sec 18		Census Tract 0931.02		
	Sale Price	S	N/A	Date of Sale	N/A	Description and \$ amount of loan charges/concessions to be paid by seller		N/A		
	Lender/Client	Private Party		Address		6510 West Orange Drive, Glendale, AZ 85301				
	Appraiser	Lance D. Billingsley		Address		6511 West Chester Road, Glendale, AZ 85310				

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Predominant occupancy	Single family housing		Present land use %	Land use change	
Built up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	<input checked="" type="checkbox"/> Owner	PRICE (\$000)	AGE (yrs)	One family	<input checked="" type="checkbox"/> Not likely	<input type="checkbox"/> Likely
Growth rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	<input checked="" type="checkbox"/> Tenant	85	20+-	2-4 family	<input type="checkbox"/> In process	To:
Property values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	<input checked="" type="checkbox"/> Vacant (0-5%)	600+-	Low New	Multi-family	<input type="checkbox"/> 5	
Demand/supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In balance	<input checked="" type="checkbox"/> Over supply		Predominant	80+-	Commercial	<input type="checkbox"/> 5	
Marketing time	<input type="checkbox"/> Under 3 mos.	<input checked="" type="checkbox"/> 3-6 mos.	<input type="checkbox"/> Over 6 mos.	<input type="checkbox"/> Vac.(over 5%)	100+-	25-35	Other	<input type="checkbox"/> 8	

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood boundaries and characteristics: The neighborhood boundaries are considered to be Northern Avenue to the North, 19th Avenue to the East, McDowell Road to the South and 67th Avenue to the West.

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):
The immediate neighborhood is comprised of average to good quality tract, custom homes, semi-custom homes and manufactured homes. These properties generally average to good maintenance. Community services, schools and shopping are conveniently located. Freeway access is approximately 3.5 miles West to the Loop 101.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):
General market conditions are average. Typical financing in this market segment includes but is not limited to cash, FHA, VA and conventional financing. Sellers typically pay 0-6% of the loan amount towards closing costs. This is not considered to affect sales price. **See additional comments**

PUD SITE DESCRIPTION OF IMPROVEMENTS	Project Information for PUDs (If applicable) - - Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No									
	Approximate total number of units in the subject project			N/A	Approximate total number of units for sale in the subject project			N/A		
	Describe common elements and recreational facilities:						N/A			
	Dimensions	Basically Rectangular (See Plat)					Topography	Levelled With Slight Crown		
	Site area	10,361+- Sq. Ft.					Size	Conforming/Typical		
	Specific zoning classification and description	R1-6 Single Family Residential					Shape	Basically Rectangular		
	Zoning compliance	<input checked="" type="checkbox"/> Legal	<input type="checkbox"/> Legal nonconforming (Grandfathered use)	<input type="checkbox"/> Illegal	<input type="checkbox"/> No zoning	Drainage	Adequate			
	Highest & best use as improved:	<input checked="" type="checkbox"/> Present use	<input type="checkbox"/> Other use (explain)	View	Typical of Area					
	Utilities	Public	Other	Off-site Improvements	Type	Public	Private	Landscaping	Average	
	Electricity	<input checked="" type="checkbox"/>		Street	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Driveway Surface	Poured Concrete	
Gas	<input type="checkbox"/>		Curb/gutter	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Apparent easements	Typical Public Utilities		
Water	<input checked="" type="checkbox"/>		Sidewalk	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Sanitary sewer	<input checked="" type="checkbox"/>		Street lights	Overhead, Electric	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FEMA Zone	X500	Map Date 9/30/2005	
Storm sewer	<input type="checkbox"/>		Alley	None	<input type="checkbox"/>	<input type="checkbox"/>	FEMA Map No.	04013C1640F		
Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): There are no adverse easements, encroachments or environmental conditions noted. The subject is located in an area of primarily residential use. The current highest and best use is considered as appraised.										

GENERAL DESCRIPTION		EXTERIOR DESCRIPTION		FOUNDATION		BASEMENT		INSULATION				
No. of Units	One	Foundation	Concrete	Slab	Concrete	Area Sq. Ft.	N/A	Roof	N/A			
No. of Stories	One	Exterior Walls	Block/Wood	Crawl Space	None	% Finished	N/A	Ceiling	*			
Type (Det./Att.)	Detached	Roof Surface	Comp Shingle	Basement	None	Ceiling	N/A	Walls	*			
Design (Style)	Ranch/Avg	Gutters & Dwnspts.	Adeq Overhng	Sump Pump	None	Walls	N/A	Floor	N/A			
Existing/Proposed	Existing	Window Type	Single Pane	Dampness	None Noted	Floor	N/A	None	N/A			
Age (Yrs.)	1960	Storm/Screens	None	Settlement	None Noted	Outside Entry	N/A	Unknown	N/A			
Effective Age (Yrs.)	15-20 yrs	Manufactured House	No	Infestation	None Noted	*Assume Adequate						
ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
Basement												N/A
Level 1	Entry	1	Area	1					5	3.0		2,308
Level 2												

Finished area above grade contains: 7 Rooms; 5 Bedroom(s); 3.0 Bath(s); 2,308 Square Feet of Gross Living Area

INTERIOR	Case 2110BK08189-DPC	Doc 6	KITCHEN FEATURES	BEDROOMS	BATHS	STORAGE
Floors	Vinyl/Carpet/Avg	Type	FW/A	Perfomance	Plan	None
Walls	Drywall/Avg	Fuel	Electric	Range/Oven	Stairs	Patio
						Covered
						Garage
						# of cars

Valuation Section

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. PA020911

COST APPROACH	ESTIMATED SITE VALUE = \$				Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): <u>See Cost Approach</u>	
	ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:					
	Dwelling	Sq. Ft. @ \$	= \$			
		Sq. Ft. @ \$	=			
			=			
	Garage/Carport	Sq. Ft. @ \$	=			
	Total Estimated Cost New		= \$			
	Less	Physical	Functional	External		
	Depreciation			= \$		
	Depreciated Value of Improvements			= \$		
"As-is" Value of Site Improvements			= \$			
INDICATED VALUE BY COST APPROACH				= \$		

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	6510 West Orange Drive 144-63-008	6339 West Oregon Avenue 144-63-036		5002 North 59th Drive 144-62-004		4031 North 61st Avenue 103-36-161	
Proximity to Subject		0.09 Mile East		0.67 Mile Southeast		0.58 Mile Southeast	
Sales Price	\$ N/A	\$ 44,000		\$ 45,000		\$ 44,900	
Price/Gross Living Area	\$ 28.61		\$ 24.97		\$ 18.99		
Data and/or Verification Source	Public Records Inspection	Doc #10968328/Pub Rec MLS #4463996/19 DOM		Doc #1190693/Pub Rec MLS #4499998/11 DOM		Doc #10938718/Pub Rec MLS #4458699/19 DOM	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Sales or Financing Concessions		Cash None Noted		Cash None Noted		Cash None Noted	
Date of Sale/Time		11/04/2010		01/31/2011		10/27/2010	
Location	Average	Average		Prox. Traffic	+7,000	Average	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	10,361+-Sq Ft	9,322+-Sq Ft	0	9,670+-Sq. Ft.	0	8,725+-Sq. Ft.	
View	Typical of Area	Typ. For Area		Typ. For Area		Typ. For Area	
Design and Appeal	Ranch/Avg	Ranch/Avg		Ranch/Avg		Ranch/Avg	
Quality of Construction	Avg/Cmp Shngl	Avg/Cmp Shngl	0	Avg/Cmp Shngl	0	Avg/Cmp Shngl	
Age	1960	1960	0	1959	0	1967	
Condition	Average	Average		Average		Average	
Above Grade	Total : Bdrms : Baths	Total : Bdrms : Baths		Total : Bdrms : Baths		Total : Bdrms : Baths	
Room Count	7 : 5 : 3.0	6 : 3 : 2.0	+2,000	7 : 5 : 2.5	+1,000	6 : 3 : 3.0	
Gross Living Area	2,308 Sq. Ft.	1,538 Sq. Ft.	+11,600	1,802 Sq. Ft.	+7,600	2,364 Sq. Ft.	
Basement & Finished Rooms Below Grade	No Basement	No Basement		No Basement		No Basement	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Central A/C	Central A/C		Central A/C		Central A/C	
Energy Efficient Items	Standard	Standard		Standard		Standard	
Garage/Carport	2 Car Carport	2 Car Garage	-2,000	1 Car Garage	0	Parking Slab	
Porch, Patio, Deck, Fireplace(s), etc.	Covered Patio No Fireplace	Covered Patio No Fireplace		Covered Patio No Fireplace		Covered Patio No Fireplace	
Fence, Pool, etc.	No Pool	Pool/Decking	-7,000	Pool/Decking	-7,000	No Pool	
Other	Storage Areas	No Storage	+1,500	Storage Areas	0	No Storage	
Net Adj. (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	6,100	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	8,600	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	
Adjusted Sales Price of Comparable		\$ 50,100		\$ 53,600		\$ 48,400	

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): Please See Additional Comments
 Property History: Per Arizona MLS records, the subject has not been listed in the past year. Per Maricopa County public records, the subject has not sold in the past 3 years.

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Date, Price and Data Source, for prior sales within year of appraisal	See Above For Subject's Sales History	09/10/10 (Bank Buy-Back) 51,000 **Per Public Records**	08/13/10 (Bank Buy-Back) 124,476 **Per Public Records**	09/20/10 (Bank Buy-Back) 76,268 **Per Public Records**			

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal:

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 50,000

INDICATED VALUE BY COST APPROACH \$ N/A

This appraisal is made "as is" subject to the following limitations or conditions listed below.

Conditions of Appraisal: subject to completion per plans & specifications.

This report is prepared for a private party, to determine value only. No other use or user is intended.

UNIFORM RESIDENTIAL APPRAISAL REPORT

MARKET DATA ANALYSIS

These recent sales of properties are most similar and proximate to subject and have been considered in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject. If a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO.	COMPARABLE NO.	COMPARABLE NO.
Address	6510 West Orange Drive 144-63-008	6237 West College Drive 144-71-195	6325 West Medlock Drive 144-64-063	6339 West Georgia Avenue 144-63-065
Proximity to Subject		0.50 Mile Southeast	0.20 Mile Southeast	0.12 Mile Northeast
Sales Price	\$ N/A	\$ 47,000	\$ 52,500	\$ 34,000
Price/Gross Living Area	\$ <input type="checkbox"/> \$ 23.77 <input type="checkbox"/>	\$ 22.99 <input type="checkbox"/> \$ <input type="checkbox"/>	\$ 22.41 <input type="checkbox"/>	\$ <input type="checkbox"/>
Data and/or Verification Sources	Public Records Inspection	Doc #101063586/Pub Rec MLS #4492634/19 DOM	Public Records/MLS MLS #4506720/63 DOM	Public Records/MLS MLS #4529752/14 DOM
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION +(-)\$ Adjust.	DESCRIPTION +(-)\$ Adjust.	DESCRIPTION +(-)\$ Adjust.
Sales or Financing Concessions		Cash None Noted	Active Listing N/A	Active Listing N/A
Date of Sale/Time		12/07/2010	N/A	N/A
Location	Average	Average	Average	Average
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	10,361+-Sq Ft	9,618+-Sq. Ft.	0 9,213+-Sq. Ft.	0 9,892+-Sq. Ft.
View	Typical of Area	Typ. For Area	Typ. For Area	Typ. For Area
Design and Appeal	Ranch/Avg	Ranch/Avg	Ranch/Avg	Ranch/Avg
Quality of Construction	Avg/Cmp Shngl	Avg/Cmp Shngl	0 Avg/Cmp Shngl	0 Avg/Cmp Shngl
Age	1960	1966	0 1959	0 1960
Condition	Average	Average	Average	Average
Above Grade	Total Bdrms: 7 Baths: 5.3.0	Total Bdrms: 7 Baths: 4.2.0	Total Bdrms: 6 Baths: 4.2.0	Total Bdrms: 6 Baths: 3.2.0
Room Count		+2,000	+2,000	+2,000
Gross Living Area	2,308 Sq. Ft.	1,977 Sq. Ft.	+5,000 2,284 Sq. Ft.	0 1,517 Sq. Ft.
Basement & Finished Rooms Below Grade	No Basement	No Basement	No Basement	No Basement
Functional Utility	Average	Average	Average	Average
Heating/Cooling	Central A/C	Central A/C	Central A/C	Central A/C
Energy Efficient Items	Standard	Standard	Standard	Standard
Garage/Carport	2 Car Carport	2 Car Carport	2 Car Garage	-2,000 2 Car Garage
Porch, Patio, Deck, Fireplace(s), etc.	Covered Patio No Fireplace	Covered Patio No Fireplace	Covered Patio No Fireplace	Covered Patio 1 Fireplace
Fence, Pool, etc.	No Pool	No Pool	No Pool	No Pool
Other	Storage Areas	AZ Room 0	Storage Areas 0	Storage Areas 0
Net Adj. (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 7,000	<input type="checkbox"/> + <input type="checkbox"/> - \$ 52,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 10,400
Adjusted Sales Price of Comparable		\$ 54,000	\$ 52,500	\$ 44,400
Date, Price and Data Source for prior sales within year of appraisal	See Above For Subject's Sales History	No Prior Sale Found In The Previous 12 Months. **Per Public Records**	01/05/11 (Bank Buy-Back) 106,695 **Per Public Records**	11/10/10 (Bank Buy-Back) 102,052 **Per Public Records**

Comments:

Market Conditions Addendum to the Appraisal Report

File No. PA020911

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address	6510 West Orange Drive	City	Glendale	State	AZ	ZIP Code	85301-7223
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Borrower	Escobedo, Fred & Julia
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Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	47	29	25	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	7.83	9.67	8.33	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Total # of Comparable Active Listings	21	29	37	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	2.7	3.0	4.4	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current – 3 Months	Overall Trend		
Median Comparable Sale Price	72,730	77,000	61,900	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Median Comparable Sales Days on Market	48	52	57	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	84,150	69,900	72,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	128	126	90	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	100%	98%	100%	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.) paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Information regarding seller concession trends is not typically available through MLS or public records. During atypical housing and economic periods, market participants will offer various concessions to stimulate sales activity. This is true with the current market dynamics.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Foreclosures are, generally, a factor in any market. With the current down market, foreclosures will typically contribute to lower prices as they will commonly be listed at the lower end of a neighborhood market's range in order to stimulate activity.

Cite data sources for above information. Per ARMLS/flexmls.com - Public Records: The information in the 1004MC is comprised of homes listed 1,800 - 2,600 square feet, single story homes built from 1940 - 1980.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The above information is obtained through MLS data as this is the most "searchable" with respect to a neighborhood and/or within defined neighborhood boundaries. This data, however, can be unreliable at times while it may not be an accurate reflection of all property sales/closing information. In addition, MLS does not typically include many NEW home listings or FOR SALE BY OWNER listings. The marketing process for new home construction is typically different than the resale market.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Supplemental Addendum

File No. PA020911

Borrower/Client	Escobedo, Fred & Julia		
Property Address	6510 West Orange Drive		
City	Glendale	County	Maricopa
Lender	Private Party	State	AZ Zip Code 85301-7223

URAR: Scope

The purpose of this appraisal report is to give a supported opinion of value. The appraiser's opinion of value will be primarily based on the Sales Comparison Approach, which reflects the actions of a "typical" buyer and seller in the marketplace. The Cost Approach is subject to obsolescence factors and will be used only as a check against the Sales Comparison Approach which is relied on most to give an opinion of value. The Income Approach is not considered applicable as the subject's market is not investor oriented. The intended user of this report is the client/user identified on the first page of this appraisal.

The appraiser will make certain observations of the property and improvements for the purposes of establishing an opinion of value. It is beyond the scope of this report for the appraiser to identify negative external influences that are not readily observable at the time of inspection. The appraiser is not considered a home inspector and is not properly qualified in the determination of defects and/or problems with the mechanical systems, electrical systems, plumbing systems, roofing, siding, structural integrity, foundation, moisture, wood destroying insects, radon gas, lead based paint, environmental situations and mold. The appraiser makes no warranties and/or guarantees with respect to the above mentioned items. It is recommended to the client, borrower and/or owner to have a qualified professional determine the nature of the above mentioned items. The appraisal, unless otherwise noted, is made as if there are no problems and/or defects with the above mentioned items.

URAR: Flood Source

Note: Flood Information is per Interflood.com. Flood information is deemed reliable but not guaranteed.

URAR: Neighborhood Description

Due to the dynamics of the subject's market, dated comparables were not considered relevant indicators of current values. For the purposes of this report, it was not considered applicable to analyze many dated sales within the past year. Recent sales and current offerings were considered in the valuation process.

URAR: Market Conditions

Prior to 2006, the appraiser observed an increase in residential construction and sales activity. There was also an apparent upward trend in prices in this area for several years prior. It should be noted, in the past several months, property values appear to be showing signs of decline in the subject's neighborhood (see 1004MC report). Builders and other market participants, as a whole, are putting forward efforts to stabilize the current market. Exposure times for properties similar to the subject are estimated to be close to estimated marketing times. It is possible that some exposure times may be less, or greater, than marketing times. It should be noted the 1004MC report does not take into consideration any "back inventory" currently being held by numerous financial institutions. A high number of these properties being released in a short time would dramatically impact the current values in the subject's neighborhood. **See Market Conditions Addendum to the Appraisal (1004MC)**

Although no time adjustments were made, the neighborhood dynamics were considered in the valuation process. The appraisal included the analysis of active listings and pending sales.

Information included on page one is of statistical market analysis of one unit, single family homes closed in the past year. This is in the subject's defined market area (neighborhood). Information included in the 1004MC report is of statistical market analysis of homes similar to the subject in the defined market area. Information on market trends for homes similar to the subject found on the 1004MC may vary from market trends information found on page one, which includes information on homes that may not be similar to the subject.

URAR: Additional Features

Tile/Carpeted Flooring

Covered Patio

Ceiling Fans

Laminate Kitchen Countertops

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Oak Cabinets Main Document Page 12 of 13

Storage Areas

Supplemental Addendum

File No. PA020911

Borrower/Client	Escobedo, Fred & Julia		
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Lender	Private Party	State	AZ Zip Code 85301-7223

Comparables 5 and 6 are active listings provided as additional information. Comparables 5 and 6 were not adjusted downward to reflect a possible selling price. This adjustment is based on the difference of listing and selling prices of homes that have sold recently in this area, statistical market data of the community and data included in the 1004MC report.

Comparable 2 is in close proximity to Camelback Road (a major arterial road having associated noise and traffic influences), warranting a necessary Location adjustment.

There does not appear to be any market differentiation between interior, corner or cul-de-sac lots without respect to size and locational influences.

All comparables were given weight and consideration in the final opinion of value. The appraiser also analyzed and considered additional historical sales, pending sales and active listings during the preparation of this report.

URAR: Final Reconciliation

All comparables were given weight and consideration in the final opinion of value. The appraiser also analyzed and considered historical sales, pending sales and active listings during the preparation of this report.

Short sales were not considered to be indicative of the subject's market value. Short sales were not utilized in the valuation process. A short sale is when the lender has not foreclosed on a property and must be willing to allow the property to sale for less than what is owed, thereby taking a loss. Typically, the purchaser must be willing to go through additional requirements and time considerations. There is also, due to the public's lack of knowledge regarding short sales, a less than typical market acceptance. It should be noted there are possible uncertainties as to the length of time for lender response, acceptance or refusal concerning short sale offers. Due to the above mentioned, "short sales" will, at times, sell below market value.

URAR: Conditions Of Appraisal

This report is made for private party use ONLY. Any other use is not the intention of the appraiser.

The report CONTAINS DIGITAL SIGNATURES.

URAR: Additional Comments

The source of the definition of market value is Fannie Mae.

URAR: Cost Approach Comments

The Cost Approach is subject to obsolescence factors and will be used only as a check against the Sales Comparison Approach which is relied on most to give an opinion of value. For the purposes of this report, the use of the Cost Approach was considered impractical.

****Sketch dimensions are approximate.****